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CONFIDENTIAL MOSCOW 001001

SIPDIS

SENSITIVE SIPDIS

DEPT FOR EUR/RUS, FOR EEB/ESC/IEC GALLOGLY AND WRIGHT EUR/CARC, SCA (GALLAGHER, SUMAR)
DOE FOR FREDRIKSEN, HEGBORG, EKIMOFF
DOC FOR 4231/IEP/EUR/JBROUGHER

E.O. 12958: DECL: 04/11/2018
TAGS: <u>EPET ENRG ECON PREL ETTC IR RS</u>
SUBJECT: MFA COOL TO OUR CONCERNS ABOUT GAZPROM INVESTMENT IN IRAN

REF: A. STATE 29859 ¶B. MOSCOW 5218

Classified By: CDA Daniel A. Russell for Reasons 1.4 (b/d)

- 11. (SBU) On April 10, per ref A, we raised USG concerns about potential Gazprom investment in Iran's petroleum sector to MFA Iran Desk Director Maxim Baranov. We noted that such investment runs counter to the international effort to bring Iran into compliance with UNSC resolutions and that it could trigger sanctions under the Iran Sanctions Act. We inquired about the status of Gazprom's plans in Iran and asked that the GOR urge Gazprom to reconsider these plans.
- 12. (C) Baranov explained that promoting two-way trade and investment between Iran and Russia is a specific goal of the Joint Commission on Economic Cooperation chaired by Rosatom Director Sergey Kiriyenko and Iranian Foreign Minister Mottaki (ref B). Gazprom CEO Aleksey Miller's February trip to Iran was to follow up on Mottaki's December 2007 visit to Moscow as part of the Joint Commission. Miller met with the Iranian Oil Minister, the head of the Iranian National Gas Company, and other industry and government leaders, but "nothing concrete" resulted from the meetings. According to Baranov, both sides are very interested in continuing to pursue potential projects, including in gas and oil field development, gas infrastructure, and LNG development. However, he added, "getting a contract with Iran is not easy." Baranov said Gazprom is already producing gas from Iran's South Pars field with partners Petronas and Total.
- 13. (C) In addition to an interest in "promoting good relations with all countries," as Baranov put it, Russia does not want to be left behind in Iran. Baranov said Chinese and Indian competition is especially strong. He said Iran is also pursuing deals with the Swiss, among others.
  RUSSELL